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Calendar No. 372

101ST CONGRESS
1st Session

SENATE

REPORT
101-200

BUFFALO BILL DAM AND RESERVOIR

NOVEMBER 13 (legislative day, NOVEMBER 6), 1989.—Ordered to be printed

Mr. JOHNSTON, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 1121]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1121) to authorize additional appropriations for the construction of the Buffalo Bill Dam and Reservoir, Shoshone Project, Pick-Sloan Missouri Basin Program, Wyoming, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE MEASURE

The purpose of S. 1121 is to increase the authorized cost ceiling for construction of modifications and improvements to the Buffalo Bill Dam and Reservoir, a Bureau of Reclamation project in western Wyoming, part of the Pick-Sloan Missouri River Basin Project.

BACKGROUND AND NEED

Buffalo Bill Dam is located on the Shoshone River near Cody in northwestern Wyoming. The dam was completed in 1910, and the project provides irrigation water to nearly 90,000 acres of land. The project also generates hydroelectric power and provides recreation and fish and wildlife benefits.

In 1982, Congress enacted legislation, Public Law 97-293 authorizing extensive modifications to Buffalo Bill Dam through a joint venture between the United States and State of Wyoming. The plan was to raise the height of the dam by 25 feet to provide additional storage for irrigation, municipal and industrial use, increased hydroelectric power generation, recreation, fish and wildlife, and other purposes. The Act authorized appropriations of $116

S313-42.

million (indexed to October 1989 price levels). The modifications are now about 63 percent complete.

Public Law 97-293 provided that the Federal cost ceiling would be reduced by the amount of cost sharing from the State of Wyoming. $47.7 million was contributed by the State, making the current Federally-authorized share $68.0 million.

Because of modifications made to the design of the project, the current appropriation ceiling will not be sufficient to complete the project. The Bureau of Reclamation reports that the total cost of the project has increased by $17 million. In 1989, the State of Wyoming approved $5 million in cost sharing for these modifications, plus an additional $1 million for recreational facilities. A $12 million increase in the Federal share is thus required to complete the project with the new modifications. The total Federal share (new cost ceiling requested by this bill) will be $80 million (current share of $68 million plus $12 million for new modifications).

The major reasons for the cost increase are the following:

1. Revised flood forecasts made since the 1982 authorization require higher dikes and modifications to the dam's spillway;
2. The powerplant was moved downstream because the original site proved unsuitable;
3. The changed powerplant site made possible the inclusion of an additional 4.5 megawatt generating unit, and,
4. Investigations revealed that the dam's outlet works require unanticipated rehabilitation.

Legislative History

S. 1121 was introduced by Senators Wallop and Simpson on June 6, 1989. The Subcommittee on Water and Power held a hearing on the bill on September 14, 1989. A similar measure has been reported by the House Committee on Interior and Insular Affairs as one provision of H.R. 2567.

At the business meeting on November 1, 1989, the Senate Committee on Energy and Natural Resources ordered S. 1121 favorably reported.

Committee Recommendations and Tabulation of Votes

The Senate Committee on Energy and Natural Resources, in open business session on November 1, 1989, by unanimous vote of a quorum present recommends that the Senate pass S. 1121, as described herein.

The rollcall vote on reporting the measure was 18 yeas, 0 nays, as follows:

YEAS	NAYS
Mr. Johnston	
Mr. Bumpers	
Mr. Ford	
Mr. Metzenbaum*	
Mr. Bradley	
Mr. Bingaman*	
Mr. Wirth	
Mr. Conrad	

Mr. Heflin
Mr. McClure
Mr. Hatfield
Mr. Domenici*
Mr. Wallop*
Mr. Murkowski
Mr. Nickles*
Mr. Burns
Mr. Garn*
Mr. McConnell

*Indicates voted by proxy.

Section-by-Section Analysis

Subsection 1(1) authorizes a 4.5-megawatt increase in hydroelectric generating capacity associated with Buffalo Bill Dam, bringing total new generation at the project to 25.5 megawatts.

Subsection 1(2) authorizes construction of recreational facilities and requires equal State-Federal cost-sharing for those facilities.

Paragraph 1(3)(A) authorizes an $80 million (October 1988 price level) Federal cost ceiling for the project, and deletes from existing law an authorization for total project costs, a sum that includes both Federal and State contributions. Paragraph 1(3)(B) deletes from existing law the requirement that the total authorized cost (State and Federal contributions) be reduced by sums contributed by the State. These provisions, taken together, recognize that the total project cost will be approximately $133 million, of which total the Federal Government is authorized to contribute $80 million (October 1988 price levels) in the understanding that the State of Wyoming will contribute $53 million.

Cost and Budgetary Considerations

The following estimate of the cost of this measure has been provided by the Congressional Budget Office:

U.S. Congress,
Congressional Budget Office,
Washington, DC November 9, 1989.

Hon. J. Bennett Johnston, Jr.,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate for S. 1121, a bill to authorize additional appropriations for the construction of the Buffalo Bill Dam and Reservoir, Shoshone Project, Pick-Sloan Missouri Basin Program, Wyoming.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

Robert D. Reischauer,
Director.

Congressional Budget Office Cost Estimate

1. Bill number: S. 1121.

2. Bill title: A bill to authorize additional appropriations for the construction of the Buffalo Bill Dam and Reservoir, Shoshone Project, Pick-Sloan Missouri Basin Program, Wyoming.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources on November 1, 1989.

4. Bill purpose: S. 1121 would replace existing authorization language for the Buffalo Bill Dam and Reservoir project that provides a total project authorization of $106.7 million (at October 1982 price levels) with language that authorizes federal contributions to the project totaling $80 million (at October 1988 price levels). The effect of this change is to increase the authorization ceiling for the Buffalo Bill Dam and Reservoir by about $12 million. This title would also authorize the construction of additional recreation facilities and a 4.5 megawatt generating unit.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1990	1991	1992	1993	1994
Estimated authorization level	6.5	5.5			
Estimated outlays	5.2	5.7	1.1		

The costs of this bill fall within budget function 300.

Basis of estimate: This bill would increase the appropriation ceiling for the Buffalo Bill Dam project to allow construction of the project to continue. The project is scheduled to be completed in 1992.

The $1 million federal share of the costs of additional recreational facilities authorized by the bill are included in the revised authorization ceiling. No federal funds are expected to be needed to construct the additional 4.5 megawatt generating unit.

For the purposes of preparing this estimate, CBO assumed that S. 1121 would be enacted early in fiscal year 1990 and that appropriations would be provided as authorized beginning that year. Outlays were estimated based on information from the Bureau of Reclamation and on historical spending patterns for similar programs.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: On November 8, 1989, CBO prepared a cost estimate for H.R. 2567, the Reclamation Projects Authorization and Adjustment Act of 1989, as ordered reported by the House Committee on Interior and Insular Affairs on November 1, 1989. Title I of that bill is similar to S. 1121, and the estimated costs are the same.

9. Estimate prepared by: Theresa Gullo.

10. Estimate approved by: C.G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

Regulatory Impact Evaluation

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which be incurred in carrying out S. 1121. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact of personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 1121, as reported.

Executive Communications

On June 20, 1989, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth executive views on S. 1121. These reports had not been received at the time the report on S. 1121 was filed. When the reports become available, the chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Bureau of Reclamation at the Subcommittee hearing follows:

Statement of Joe Hall, Acting Commissioner, Bureau of Reclamation, Department of the Interior

Mr. Chairman, I am here today to testify in favor of S. 1121, a bill "To authorize modifications and additional appropriations for the construction of the Buffalo Bill Dam and Reservoir, Shoshone Project, Pick-Sloan Missouri Basin Program, Wyoming."

This legislation would increase the Federal appropriations ceiling on the project to $80 million, an increase of about $11.3 million. The increase in ceiling is necessary if Reclamation is to accomplish the three objectives that I will describe momentarily.

The modifications to the Buffalo Bill Dam project were authorized on October 12, 1982, with an appropriation ceiling of $106,700,000 (October 1982 price levels) including non-Federal cost sharing. By the end of this fiscal year when the project will be about 60 percent complete, it is estimated that the indexed ceiling of $116 million will be exceeded by about $17 million of which $6 million will be provided by additional cost sharing by the State. The State of Wyoming is a cost-sharing partner in the project and initially planned to contribute $47 million as its share of project costs. In 1989, the State increased its contribution by $5 million for additional work at the project, plus an additional $1 million through the Wyoming Recreation Commission for recreational facilities at Buffalo Bill State Park. While the recreational facilities are being 50–50 cost shared, the State will be paying about 40 percent of the total cost of the Project.

In addition to increasing the water storage and power generation capacities of Buffalo Bill Dam, the modification project is being constructed to provide benefits for fish and wildlife resources. Fish screens have been incorporated into both the North Fork and

South Fork dust abatement dikes. The screens will prevent the passage of rough fish from the dust abatement ponds to the reservoir and prevent trout from being diverted from the river into the impoundment.

Waterfowl nesting islands are being constructed in the area inundated by the South Fork dust abatement pond. A 2-acre wetland for fish and wildlife habitat is being constructed in the Diamond Creek area to replace the Irma Flats ponds that will be inundated by the enlarged reservoir.

Resevoir boundary fencing is being constructed to enable reservoir lands to be managed to planned uses. When completed, the fencing will significantly improve wildlife and wetland values throughout the reservoir area.

The increase in the Federal appropriation ceiling authorized through passage of S. 1121 will enable these activities to continue to completion.

S. 1121 will accomplish three objectives:

1. Increase the Federal share of project costs by about $11.3 million to a total of $80 million. The increase is needed to cover changes and improvements in the project plan which have occurred since feasibility studies were completed in 1972.

2. Authorize construction of an additional 4.5-megawatt generating unit which will bring total new generation at the project to 25.5 megawatts. Funds for construction of this additional generating unit would be requested only if a market analysis of this resource shows it to be marketable and cost effective. The Western Area Power Administration recently completed a study at Reclamation's request, which is under review.

3. The State of Wyoming wishes to more fully develop the recreational potential of the modified project and is proposing to construct new recreational facilities beyond what was authorized in 1982. The cost of these new facilities would be shared equally by the State and the Federal Government, and S. 1121 authorizes the construction of these additional recreational facilities and the $1 million Federal share of the costs of these facilities is included in the revised project appropriation ceiling.

Completion of the project is scheduled for 1992. However, if the Federal appropriation ceiling is not increased by October 1, 1989, project completion could be delayed. Important contracts scheduled for award in early fiscal year 1990 would be postponed, further increasing the cost of the project. The State of Wyoming supports this legislation and we believe enactment of this legislation will enable the Federal Government to meet its commitment as a cost-sharing partner.

If there are any questions, I would be pleased to answer them at this time.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 1121, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is

printed in italic, existing law in which no change is proposed is shown in roman):

AN ACT To authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

CONSTRUCTION OF DAM MODIFICATIONS

SEC. 101. The Secretary of the Interior, acting pursuant to Federal reclamation law (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is hereby authorized to construct, operate, and maintain modifications to the Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, for the purposes of providing approximately seventy-four thousand acre-feet of additional water annually for irrigation, municipal and industrial use, increased hydroelectric power generation, outdoor recreation, fish and wildlife conservation and development, environmental quality, and other purposes. The principal modifications to the Buffalo Bill Dam and Reservoir shall include raising the height of the existing Buffalo Bill Dam by twenty-five feet, enlarging the capacity of the existing Buffalo Bill Reservoir by approximately two hundred and seventy-one thousand acre-feet, [replacing the existing Shoshone Powerplant,] *constructing power generating facilities with a total installed capacity of 25.5 megawatts*, enlarging a spillway, construction of a visitor's center, dikes and impoundments, and necessary facilities to effect the aforesaid purposes of the modifications. These modifications are hereby authorized as part of the Pick-Sloan Missouri Basin program: *Provided*, That the powerplant authorized by this section shall be designed, constructed, and operated in such a manner as to not limit, restrict, or alter the release of water from any existing reservoir, impoundment or canal adverse to the satisfaction of valid existing water rights or water delivery to the holder of any valid water service contract.

[CONSERVATION AND FISH AND WILDLIFE]

RECREATIONAL FACILITIES, CONSERVATION, AND FISH AND WILDLIFE

SEC. 102. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the modification of Buffalo Bill Dam and Reservoir shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended. *The construction of recreational facilities in excess of the amount required to replace or relocate existing facilities is authorized, and the costs of such construction shall be borne equally by the United States and the State of Wyoming pursuant to the Federal Water Project Recreation Act.*

* * * * * * *

AUTHORIZATION FOR APPROPRIATIONS

SEC. 106. (a) There is hereby authorized to be appropriated beginning October 1, 1982, [for construction of the Buffalo Bill Dam and Reservoir modifications the sum of $106,700,000 (October 1982 price levels)] *for the Federal share of the construction of the Buffalo Bill Dam and Reservoir modifications and recreational facilities the sum of $80,000,000 (October 1988 price levels)* plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation, maintenance, and replacement of the works of said [modifications: *Provided*, That, such sums authorized to be appropriated for construction, operation, maintenance, and replacement shall be reduced by the amounts contributed to the project under the provisions of section 107 of this title.] *modifications.*

(b) There is also authorized to be appropriated beginning October 1, 1982, such sums as may be required by the Secretary of Energy to accomplish interconnection of the powerplant authorized by this title, together with such sums as may be required for operation and maintenance of the works authorized by section 104(a).

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